

Senate Committee
on
Budget and Fiscal Review

SUBCOMMITTEE 2
Resources, Environmental Protection,
and Energy

MAJOR ACTION
REPORT

May 26, 2005

Senate Bill 52
2005-06 Budget Bill

Members

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SUBCOMMITTEE No. 2

RESOURCES, ENVIRONMENTAL PROTECTION, AND ENERGY

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NATURAL RESOURCES

0540 SECRETARY FOR RESOURCES

- Approved \$30.5 million in Proposition 50 bond funds for grants to acquire and develop River Parkway projects.
- Approved \$11.7 million in Proposition 50 bond funds for grants to acquire property in the Sierra Nevada Cascade region of the state.
- Approved trailer bill language to require the Secretary for Resources to review CEQA equivalent certified regulatory programs to determine that they are equivalent to CEQA.
- Approved \$300,000 from Proposition 50 bond funds to contract for an independent programmatic and fiscal review of the CALFED program.

3110 SPECIAL RESOURCES PROGRAMS

- Approved as budgeted.

3125 CALIFORNIA TAHOE CONSERVANCY

- Approved \$34.2 million in resources bond funds to implement the Environmental Improvement Program to restore and protect the environment in the Lake Tahoe Basin.

3340 CALIFORNIA CONSERVATION CORPS

- Approved \$3.3 million in resources bond funds for the Corps, \$1.2 million supports the state Corps and \$2.1 million supports local Corps programs.
- Approved \$37.1 million in lease revenue bonds for construction of the Delta Service District Residential Center and the Camarillo Residential Satellite Center.

3460 COLORADO RIVER BOARD

- Approved as budgeted.

3480 DEPARTMENT OF CONSERVATION

- Approved \$350,000 from special funds to establish three new positions to increase the department's Williamson Act enforcement unit.

- Approved \$3.3 million for support of the CALFED program. These funds are allocated to the following program elements: (1) \$96,000 for oversight and coordination and (2) \$3.2 million for the watershed program.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION

- Approved \$9 million General Fund to augment off-season fire protection staffing in Southern California.
- Approved \$10.8 million ongoing General Fund for fire equipment replacement.
- Approved \$4.1 million General Fund to support increased costs associated with unemployment insurance.
- Approved \$2.4 million General Fund to replace radio equipment with narrowband capable equipment. This replacement will take five years and cost approximately \$12 million total.
- Approved \$1.5 million General Fund to cover increased costs associated with department's aircraft services and logistical support contracts.
- Redirected \$6 million General Fund from the department's central administrative support budget to augment forest resource management, assessment, and enhancement program activities. Total support for these activities is \$10.6 million including the General Fund redirection.
- Approved \$3.8 million in federal funds for fuels management in Southern California in areas infested by the Bark Beetle.
- Approved \$1.4 million in federal funds for activities to increase the utilization of biomass created by fuels management activities.
- Approved \$144 million (\$138 million from lease revenue bonds and \$6.2 million General Fund) for capital outlay projects to upgrade forest fire stations throughout the state.
- Rejected the Governor's May Revision proposal to provide \$5 million General Fund for additional fire engines requested beyond the budget augmentation to the department's fire equipment replacement budget.
- Rejected the Governor's proposal to restore the \$6.7 million General Fund unallocated reduction to the department.
- Approved \$154,000 from special funds to support the CALFED watershed program element.

3560 STATE LANDS COMMISSION

- Approved as budgeted.

3600 DEPARTMENT OF FISH AND GAME

- Approved \$5 million from the General Fund to establish 40 new warden positions and adopted trailer bill language to direct the department to address current game warden recruitment problems resulting from low salary levels.
- Approved \$1 million from the General Fund to establish seven new positions to restore the Native Trout program to its 1980 levels.
- Approved \$1.7 million from the General Fund to establish 15 new positions to restore statewide review of timber harvest plans.
- Approved \$8 million from tidelands oil revenues for salmon and steelhead trout restoration projects.
- Approved \$500,000 from the Environmental License Plate Account to continue implementation of the Marine Life Protection Act.
- Approved trailer bill language to implement landing fee reform to fund commercial fishing programs. This reform could generate up to \$6 million in additional revenues to the department.
- Approved trailer bill language to reform and increase the collection of California Environmental Quality Act fees (commonly referred to as 3158 fees). This reform could generate up to \$8 million in additional revenues to the department.
- Approved \$200,000 General Fund for an independent contract to assist DFG in re-engineering its accounting systems and assist in preparing a report to the Legislature on its activities, funding sources, and outcomes to determine the level in which DFG is fulfilling its statutory mandates.
- Approved various expenditure reductions and revenue enhancements to make each dedicated account within the Fish and Game Preservation Fund solvent.
- Approved \$3.6 million to support the CALFED program. These funds are allocated to support the following program elements: (1) \$166,000 for oversight and coordination; (2) \$84,000 for the conveyance program; (3) \$528,000 for the science program; and (4) \$2.8 million for the ecosystem restoration program.
- Approved \$11.6 million from Proposition 13 bond funds to implement environmental enhancement and mitigation measures related to the Yuba Feather Flood Protection program.
- Approved \$2.2 million one-time from bond funds for various projects to manage and enhance lands owned by the department.
- Approved \$1.3 million primarily from federal funds for angler studies and fish health programs.

3640 WILDLIFE CONSERVATION BOARD

- Approved \$21 million in Proposition 50 bond funds for purposes of restoring and enhancing wildlife habitat as required by the Habitat Conservation Fund.

3680 DEPARTMENT OF BOATING AND WATERWAYS

- Approved \$18.6 million to fund additional marina projects, including the San Francisco Marina, the Long Beach Marina Alamitos Bay Basin 1, Long Beach Basins 2 and 3, and the Dana Point Marina.

3720 CALIFORNIA COASTAL COMMISSION

- Approved \$600,000 General Fund to establish five new positions to address the backlog of work related to tracking, accepting and opening offers to dedicate. Offers to dedicate are mitigation tools used by the commission when permitting development within the coastal zone.
- Approved \$350,000 General Fund to establish three new positions to increase the commission's review of energy-related projects, including the extension of marine oil terminal leases and liquefied natural gas proposals.
- Approved trailer bill language stating the intent of the Legislature that the Coastal Commission increases its fees to cover approximately 50 percent of its permitting program.

3760 STATE COASTAL CONSERVANCY

- Approved \$1.2 million from special funds for start-up costs for the Ocean Protection Council.
- Approved \$31.5 million in Proposition 50 bond funds and \$4 million in Proposition 40 bond funds for projects to restore and protect coastal watersheds.
- Approved \$4 million in Proposition 40 bond funds and \$2.2 million in Proposition 12 bond funds for restoration of wetlands, wildlife habitat, and public access in the San Francisco Bay Area.

3780 NATIVE AMERICAN HERITAGE COMMISSION

- Approved as budgeted.

3790 DEPARTMENT OF PARKS AND RECREATION

- Approved \$8 million from tidelands oil revenues to establish up to 40 new park positions and fund deferred maintenance activities.
- Approved \$1.3 million General Fund to support seven new positions of the initial phase of management and operation of the new Hearst acquisition.
- Approved \$11.8 million General Fund for modification of existing state park facilities to make them more accessible to visitors with disabilities.
- Approved an increase of state park fees of \$6 million to cover costs associated with upgrading outdated water and wastewater systems.

- Approved \$44.1 million in bond funds, special funds, and federal funds for grants to fund various local park projects.
- Approved \$7.5 million from federal funds and bond funds to acquire new state park properties.
- Approved \$5.6 million from special funds to acquire new off-highway vehicle properties.
- Approved \$35.7 million in bond funds for capital outlay projects to develop and improve existing state park facilities.

3810 SANTA MONICA MOUNTAINS CONSERVANCY

- Approved \$9.5 million in Proposition 50 bond funds for watershed protection projects.

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

- Approved \$88,000 General Fund for oversight and coordination activities related to the CALFED program.

3825 SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY

- Approved \$4.5 million in Proposition 50 bond funds for projects consistent with the conservancy's watershed and open space plan.

3830 SAN JOAQUIN CONSERVANCY

- Approved \$1.5 million in Proposition 40 bond funds for land acquisitions for development of the San Joaquin River Parkway. These funds are provided in the Wildlife Conservation Board's budget.

3835 BALDWIN HILLS CONSERVANCY

- Approved \$8.7 million in Proposition 40 bond funds for grants to acquire open space.

3840 DELTA PROTECTION COMMISSION

- Approved as budgeted.

3845 SAN DIEGO RIVER CONSERVANCY

- Approved \$500,000 in reimbursements for grants.

3850 COACHELLA VALLEY MOUNTAINS CONSERVANCY

- Approved \$218,000 in Proposition 40 bond funds for grants and land acquisitions by the conservancy.

3855 SIERRA NEVADA CONSERVANCY

- Approved \$3.2 million special funds to fund start-up costs for the conservancy. This is approximately \$400,000 less than what was proposed by the Governor's budget.

3860 DEPARTMENT OF WATER RESOURCES

- Approved \$103.1 million General Fund to cover settlements related to the Paterno lawsuit. Approximately \$67.1 million represents the first payment of a 10-year financing arrangement with Merrill-Lynch to pay off the \$428 million settlement reached with over 3,000 plaintiffs in this lawsuit.
- Approved trailer bill language to require all new residential subdivisions and building permits approved after January 1, 2006 to have adequate flood protection before they are approved.
- Approved \$117 million to support the CALFED program. These funds are allocated to the following program elements: (1) \$263,000 for oversight and coordination; (2) \$8.1 million for the ecosystem restoration program; (3) \$9 million for the environmental water account; (4) \$27 million for the water use efficiency program; (5) \$254,000 for the watershed program; (6) \$552,000 for the drinking water quality program; (7) \$19.2 million for levees program; (8) \$8.5 million for the storage program; (9) \$6.9 million for water supply reliability; (10) \$30.9 million for the conveyance program; and (11) \$6.2 million for the science program.
- Approved \$11.5 million in Proposition 50 bond funds for pilot and demonstration projects that remove contaminants from drinking water.
- Approved \$34.9 million in Proposition 13 bond funds for the Yuba Feather Flood Protection program, including \$14 million to fund the acceleration of levee improvements for the Three Rivers Levee Improvement Authority.
- Approved \$11.3 million (\$9.7 million General Fund) to increase DWR's flood management activities, including maintenance of the Central Valley flood project, floodplain management, emergency response, and a multi-year levee system reevaluation and rehabilitation project.
- Approved \$21 million (\$16.7 million General Fund) to fund capital outlay flood management projects in the Central Valley.
- Rejected Governor's proposal to expend \$1.8 million from Proposition 13 bond funds for restoration of the San Joaquin River.
- Approved \$54 million General Fund for the lining of the All-American Canal and other local projects that help the state live within its Colorado River allocation. This is \$5 million less than requested by the Governor's budget.

- Approved \$47.9 million from Proposition 50 bond funds for the Integrated Regional Water Management grant program.
- Approved \$21.3 million from Proposition 50 for feasibility and construction grants for desalination of ocean or brackish waters.
- Approved as budgeted the California Energy Resources Scheduling division.

3870 CALIFORNIA BAY-DELTA AUTHORITY

- Approved \$19.7 million to support the CALFED program. These funds are allocated to the following program elements: (1) \$6.9 million for oversight and coordination; (2) \$7.4 million for the ecosystem restoration program; (3) \$2.5 million for the conveyance program; and (4) \$3 million for the science program.

ENVIRONMENTAL PROTECTION

0555 SECRETARY FOR ENVIRONMENTAL PROTECTION

- Approved \$1 million from special funds for climate change activities, including \$500,000 to support the Climate Action Registry funded by the Public Interest Energy Research fund.
- Approved \$1.5 million of the \$12.2 million proposed by the Governor for the Hydrogen Highway. Funds approved will be used for additional research on the environmental impacts of hydrogen, including how the hydrogen is generated.

3900 AIR RESOURCES BOARD

- Approved \$3.5 million from special funds to augment the board's mobile source review program.
- Approved \$3.7 million from special funds to augment enforcement in the Heavy-Duty Vehicle Inspection Program along the California-Mexico border and the Port of Long Beach.
- Approved \$8.6 million from special funds to increase funding to support the board's development of the State Implementation Plan and state regulations for reducing particulate matter (PM_{2.5}).
- Approved \$12 million in one-time additional funding for the Carl Moyer Air Quality program. These revenues were received in the current year, but not proposed for expenditure.
- Approved trailer bill language to target Carl Moyer funding for a limited term on school bus retrofits and goods movement diesel emissions.

3910 INTEGRATED WASTE MANAGEMENT BOARD

- Approved \$3.5 million from special funds to implement the Education and Environment Initiative.
- Approved trailer bill language to reduce the size of the board from six members to five members.

3930 DEPARTMENT OF PESTICIDE REGULATION

- Approved trailer bill language to create a committee comprised of equal membership from the department, the Office of Environmental Health Hazard Assessment and the Scientific Review Panel that will make the final determinations of exposure levels for pesticide products that are deemed scientifically acceptable.

- Approved trailer bill language to require that all entities that are the first to sell pesticides in the state be subject to licensing requirements and to give authority to the Board of Equalization to collect the mill assessment fee.

3940 STATE WATER RESOURCES CONTROL BOARD

- Approved \$1.5 million General Fund to start environmental work required to determine in-stream flows required for maintaining fisheries downstream of diversions on the Napa River and other rivers on the North Coast.
- Redirected \$4.5 million in federal funds that currently support the board's water quality permit program to increase funding for the state's surface water monitoring program. Funding for the water quality permit program was increased by a corresponding amount from the Waste Discharge Permit Fund.
- Approved \$11.5 million for loans and grants from the Repair and Replacement of Underground Storage Tanks program for small businesses.
- Approved \$15 million increase in funding from the Underground Storage Tank Cleanup Fund for the cleanup of contamination caused by underground storage tanks.
- Approved \$1.6 million in special funds to oversee cleanup of Brownfield properties, including closed military bases.
- Approved redirection of \$600,000 to establish 7.4 positions to operate a regulatory program that protects wetlands no longer protected under the jurisdiction of the federal government due to the U.S. Supreme Court SWANCC decision.
- Approved \$66.5 million from Proposition 50 bond funds for grants to finance projects that restore and protect coastal water quality.
- Approved \$55 million from Proposition 50 bond funds for Integrated Regional Water Management grants.
- Approved \$20.7 million from Proposition 50 bond funds for grants to assist in the construction of publicly owned wastewater treatment and collection facilities.
- Approved \$3.9 million from Proposition 13 bond funds for grants to finance projects that reduce non-point source pollution.
- Approved \$1.9 million from Proposition 13 bond funds for grants to finance watershed protection projects.
- Approved trailer bill language to reduce the regional boards from nine members to five members.
- Approved \$1.9 million for support of the CALFED program. These funds are allocated to the following program elements: (1) \$381,000 for the watershed program; (2) \$1.3 million for the water use efficiency program; and (3) \$212,000 for the drinking water quality program.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL

- Approved \$8.5 million General Fund to continue to fund the state takeover of the BKK landfill pending resolution of long-term financing plan with the potential responsible parties.
- Approved trailer bill language to increase and expand funding for Brownfield properties under the Underground Storage Tank Cleanup law and the environmental fee statutes.
- Approved \$1.7 million in special funds to oversee cleanup of Brownfield properties, including closed military bases.
- Approved \$3.1 million General Fund to support preliminary plans to construct a new pretreatment plant at the Stringfellow Hazardous Waste site.

3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

- Approved \$1 million from the General Fund to establish five new positions to fund children's health program activities and other statutory mandates.
- Approved \$250,000 from the Waste Discharge Permit Fee fund to establish two new positions to address deficiencies in the department's fish health program.
- Approved \$250,000 from the Department of Pesticide Regulation fund to establish two new positions to support the department's pesticide related activities.

ENERGY AND UTILITIES

3360 ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

- Approved \$15.5 million from special funds to establish a new public interest natural gas research program at the commission. Allocated \$7.5 million of these funds for air quality and energy related research expended pursuant to a plan jointly developed and approved by the Air Resources Board and the commission
- Approved trailer bill language to allocate 50 percent of the public interest natural gas research program funds to air quality and energy related research annually.
- Approved trailer bill language to clarify that the commission may expend its Public Interest Energy Research Development and Demonstration funds on transportation related research.
- Approved \$796,000 from special funds to augment the commission's analytical resources related to energy demand forecasting, transportation information, and electricity procurement.
- Approved trailer bill language to direct the commission to develop a long-term workload and staffing plan for the Public Interest Energy Research Development and Demonstration program.
- Rejected Governor's proposal to allocate \$2.5 million in special funds to support development of the Frontier Line Transmission project.

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION

- Approved \$1.2 million from special funds to establish 12 new positions in the telecommunications division of the Office of Ratepayer Advocates.
- Approved \$1 million from special funds for expert contracts to review the forthcoming SBC/ATT merger.
- Approved trailer bill language to clarify that the Office of Ratepayer Advocates can present a budget to the commission in a public proceeding.
- Approved trailer bill language to specify that the director of the Office of Ratepayer Advocates is provided with the authority to directly supervise legal staff assigned by the General Counsel.
- Approved trailer bill language to specify that the Office of Ratepayer Advocates review of the SBC/ATT merger must be completed prior to a final decision on the merger by the commission.
- Approved \$6 million one-time from special funds to reimburse telephone providers for discounted telephone service provided through the Universal Lifeline Telephone Program.
- Approved \$486,000 from special funds for 8 additional positions to process informal complaints of utility customers.

- Approved \$521,000 from special funds to increase enforcement of household goods carriers, including trailer bill language that increases the maximum fee paid by household goods carriers.

**8665 CALIFORNIA CONSUMER POWER AND CONSERVATION
FINANCING AUTHORITY**

- No funding provided in the budget year. The Authority has been disbanded.

8770 ELECTRICITY OVERSIGHT BOARD

- Approved as budgeted.

FOOD AND AGRICULTURE

8570 DEPARTMENT OF FOOD AND AGRICULTURE

- Approved \$8 million from the General Fund to support the Mediterranean fruit fly preventative release program.
- Approved \$1.3 million from the General Fund to eliminate the backlog of deferred purchases to replace obsolete equipment for the state's veterinary diagnostic laboratory system.
- Approved \$500,000 from the General Fund to establish five new positions to initiate a strategic approach to address emerging threats to the state's food supply. This is \$2.2 million less than what was proposed by the Governor's budget.
- Approved the restoration of \$597,000 General Fund that was proposed as an unallocated reduction to the County Agricultural Commissioners. A corresponding reduction was made to the General Fund budget for the department.
- Approved \$11.6 million from federal specialty crop grant funds for various activities, including \$3 million for activities to address emerging threats to the state's food supply.

7300 AGRICULTURAL LABOR RELATIONS BOARD

- Approved as budgeted.